



**GSA National Capital Region**

**FEB 22 2011**

(b) (6)

Vornado/Charles E. Smith  
2345 Crystal Drive  
Suite 1000  
Arlington, VA 22202

Re: Freedom of Information Act (FOIA) Request No. 189074

Dear (b) (6)

This letter is in response to your Freedom of Information Act (FOIA) request, dated February 7, 2011, in which you requested "a copy of the SF-2 for 90 K Street – GS-11B-02200."

Enclosed is a copy of the requested information. This completes the action on your request. Should you have any questions, please do not hesitate to contact Toni Slappy, FOIA Coordinator, at (202) 619-6200.

Sincerely,

(b) (6)

Claire L. Fortune  
Director  
Office of Organizational Resources  
Public Buildings Service

Enclosure

**U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY**

DATE OF LEASE: 11/10/09 2010 LEASE #GS-11B-02200

THIS LEASE, made and entered into this date between **Sentinel Square I, LLC**  
whose address is c/o Trammell Crow Company  
1055 Thomas Jefferson Street, NW, Suite 600  
Washington, DC 20007-5259

and whose interest in the property hereinafter described is that of **OWNER**, hereinafter called the Lessor, and the  
**UNITED STATES OF AMERICA**, hereinafter called the Government.

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WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

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1. The Lessor hereby leases to the Government the following described premises:

A total of 36,438 ANSI/BOMA rentable square feet (BRSF) of office and related space, which yields approximately 31,423 ANSI/BOMA Office Area Square Feet (ABOA) and consisting of 677 BRSF on the first floor (yielding approximately 596 ABOA) and 35,761 BRSF on the third floor (yielding approximately 30,827 ABOA) and three (3) reserved parking spaces for Official Government Vehicles, located at 90 K Street, NE, Washington, DC 20002-4217 in the project known as Sentinel Square I (See floor plans of leased premises and reserved parking spaces included in Attachment A). The Federal Government shall be the only tenant on the third floor of the building.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for a ten (10) year firm term commencing in accordance with the terms of the Solicitation for Offers SFO # 8MD2273 (SFO), including SFO paragraphs 1.9 and 5.12, and General Clauses 12 and 20. The parties will execute a supplemental lease agreement (SLA) after the commencement date to memorialize the commencement and expiration dates of the lease term.

3. The Government shall pay the Lessor annual rent of \$1,521,286.50 (\$41.75/BRSF) at the rate of \$126,773.88 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: **Sentinel Square I, LLC**, c/o Trammell Crow Company, 1055 Thomas Jefferson Street, NW, Suite 600, Washington, DC 20007-5259 or in accordance with the provision on electronic payment of funds. Notwithstanding the foregoing, the Government shall be entitled to abatement of rent in the total amount of \$1,732,821.39 applied as follows: the rent for the first twelve months of the lease shall be abated entirely in the amount of \$1,521,286.50 and a portion of the monthly shell rent shall be partially abated during the thirteenth (13<sup>th</sup>) and fourteenth (14<sup>th</sup>) full months of the lease term, in equal monthly amounts of \$105,767.44, for a total amount of \$211,534.89, as more fully set forth in paragraph 6(C) below.

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4. (Intentionally Deleted)

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5. (Intentionally Deleted)

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

A. All services, utilities, alterations, repairs, and maintenance, as defined by this Lease.

B. The Lessor shall provide to the Government a Tenant Improvement Allowance in the amount of (b) (4). Such Tenant Improvement Allowance shall be available in full immediately upon execution of this Lease, but shall be held by the Lessor until directed by the Government on how the disbursement of funds shall occur. The Government shall have the full latitude to direct disbursement of funds in accordance with the SFO and/or to offset the Government's rental obligation to the Lessor in accordance with SFO Paragraph 3.3 "Tenant Improvement Rental Adjustment." This Tenant Improvement Allowance is included in the rent, with the \$42.08/ABOA being amortized at a rate of 0% over the ten-year firm lease term. If the Government does not utilize the entire Tenant Improvement Allowance included in the rent, the rent shall be adjusted downward using the 0% amortization rate. In addition to the Tenant Improvement Allowance included in the rent, Lessor has agreed to allow the Government to increase the Tenant Improvement Allowance by up to \$20.00/ABOA which amount shall be amortized at 7% per annum and added to the rent. A mutually agreed upon Supplemental Lease Agreement will be executed upon the Government's acceptance of the space as substantially complete that finalizes the rent using the final Tenant Improvement Allowance utilized. The actual cost of the Tenant Improvements will be determined by the competition and cost proposal process as set forth in SFO Paragraph 3.2 "Tenant Improvements Included in the Offer," and Paragraph 3.3 "Tenant Improvement Rental Adjustment."

C. In accordance with Paragraph 2.5 "Broker Commission and Commission Credit" of the Lease, Studley, Inc. is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley, Inc. have agreed to a cooperating lease commission of (b) (4) of the lease value for the ten year firm term. The total amount of the commission is (b) (4). In accordance with the "Broker Commission and Commission Credit" paragraph, Studley, Inc. has agreed to forego (b) (4) of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is (b) (4) and shall be paid as free rent in equal monthly installments of (b) (4) during the thirteenth (13<sup>th</sup>) and fourteenth (14<sup>th</sup>) full months of the lease term. The Lessor agrees to pay Studley, Inc., 555 13th Street, NW, Suite 420 East, Washington, DC 20004, the Commission less the Commission Credit in the lump sum amount of (b) (4) which shall be due to Studley, Inc. upon execution of this Lease by the Government and payable within 30 days of the receipt of an invoice.

Notwithstanding Paragraph 3 of the Standard Form 2, the shell portion of the rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit as follows:

Thirteenth (13<sup>th</sup>) full month of the lease term: Monthly Rental Payment of \$126,773.88 minus prorated Commission Credit of (b) (4) adjusted Monthly Rental Payment for the thirteenth (13<sup>th</sup>) full month of the lease term

Fourteenth (14<sup>th</sup>) full month of the lease term: Monthly Rental Payment of \$126,773.88 minus prorated Commission Credit of \$105,767.44 equals \$21,006.44 adjusted Monthly Rental Payment for the fourteenth (14<sup>th</sup>) full month of the lease term;

D. For purposes of Paragraph 4.2 and 4.3 of the SFO, as of the date of lease execution, the Government's percentage of occupancy is 8.83%, based on occupancy of 36,438 BRSF in a building of 412,661 BRSF. Evidence of payment of taxes shall be furnished as provided by Paragraph 4.2 C of the SFO. Any change in the percentage of occupancy or the amount of space shall be reflected in the Supplemental Lease Agreement establishing the lease commencement date.

E. For purposes of Paragraph 4.3 of the SFO, as of the date hereof, the operating cost base is (b) (4).

F. Pursuant to Paragraph 4.1 "Common Area Factor" is determined to be 1.1596 (36,438 BRSF/31,423 ABOA).

G. In connection with the initial buildout of tenant improvements, the following limits on markups, fees, and design costs shall apply: Offeror's General Contractor's overhead, and profit shall be 2%, Lessor's overhead, profit, and other management fees shall be 3%, General Conditions shall be 5% and architectural/engineering (including architectural, mechanical, electrical, plumbing and structural engineering services) costs, including LEED-CI shall

be \$4.67/ABOA. The combined total of the foregoing markups and fees shall not exceed 10% plus \$4.67/ABOA.

H. Pursuant to SFO Paragraph 1.2(C) of the SFO, the Warm Lit Shell Credit, which shall be applicable only to the BOMA office area portion of the leased premises, shall be \$437,408.16 or \$13.92 per ABOA. Pursuant to SFO Paragraph 1.2(C) the Government shall have 180 days following lease award to determine if it will exercise the option to take the Warm Lit Shell Credit.

I. Pursuant to paragraph 4.5 of the SFO, as part of the rental consideration set forth in Paragraph 3 of this SF2, services, utilities, and maintenance shall be provided daily, extending from 7:00 am to 5:00 pm, Monday through Friday, excluding Saturdays, Sundays and federal holidays ("Normal Hours Schedule"). There will be no charge for overtime HVAC from 5:00 pm to 6:00 pm, Monday through Friday, excluding Saturdays, Sundays, and federal Holidays. Overtime beyond the above-referenced Normal Hours Schedule and no charge hour from 5:00 pm to 6:00 pm, for overtime HVAC on an occasional basis shall be provided at rates of (i) \$20.00 per hour per floor for overtime HVAC for the first 200 hours of use and \$25.00 per hour per floor thereafter, or, if the Government elects to require overtime on a regular or recurring basis at the rate of (ii) \$46,000.00 per year for overtime HVAC throughout the entire leased premises from 6:00 am to 7:00 am, Monday through Friday, excluding Saturdays, Sundays and federal holidays. The foregoing overtime HVAC rates shall escalate in a manner consistent with section 4.3 "Operating Costs" in the SFO. The foregoing overtime HVAC rates are inclusive of all labor, maintenance, service and engineering fees. Notwithstanding the hours of HVAC service, the Government shall have access to the leased space and appurtenant areas at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, toilets, lights, and electric power.

J. The adjustment to the rent for space previously occupied by the Government and then vacated is \$4.64 per ABOA per annum.

K. Three (3) official parking spaces are included in the rent as stated in Paragraph 3 of this SF2. During the term of the Lease, the Government, including Government employees occupying the leased premises, may purchase individual permits separate and apart from the rent due under Paragraph 3 hereof to lease up to 38 parking spaces at the then-market rates for such permits.

L. A copy of SFO Attachment for Fire Protection and Life Safety Evaluation is attached as Attachment C. Upon request of the Government, Lessor agrees to furnish an updated SFO Attachment as submitted for Fire Protection and Life Safety Evaluation. Lessor shall ensure and provide as necessary at Lessor expense, all Fire and Life Safety improvements of this SFO to ensure that the building meets all local and national codes including NFPA 101. Exit separation shall be in accordance with the terms of Attachment. Lessor agrees to make improvements specified as part of the Attachment. All improvements must be made prior to the Government's acceptance of space.

M. A copy of the seismic certificate is attached as Attachment D. Prior to occupancy, Lessor agrees to furnish or update a seismic certification showing that the building construction fully complies with section 2.2 "Accessibility and Seismic Safety" of the SFO.

N. Lessor has provided a schedule for the design, construction and delivery of space that is consistent with the terms and the timeframes set forth in the SFO. The schedule is attached as Attachment K. Following lease award the parties will meet and negotiate in good faith in an attempt to agree upon a revised schedule that achieves, at no additional expense to either party, a final completion date which might be sooner than is set forth in the schedule attached to the lease as Attachment K. Absent such an agreement, Attachment K will govern.

O. Attached as Exhibit L are the plans for the loading dock area.

P. In the event of a conflict between this SF2 and any other documents that comprise the Lease, the SF2 shall govern.

7. The following are attached and made a part hereof:

- A. Floor Plans of the Leased Premises, and Parking Plans - 3 pages
- B. Solicitation For Offers No. 8MD2273 -- 57 pages
- C. Fire Life Safety Evaluation -- 14 pages
- D. Pre-Lease Security Report - 12 pages and attachment
- E. Seismic Certificate - 2 pages
- F. GSA Form 1217 -- 1 page
- G. GSA Form 3517 -- 32 pages
- H. GSA Form 3518 -- 7 pages
- I. Small Business Subcontracting Plan -13 pages
- J. LEED CI Scorecard -- 2 pages
- K. Schedule for Design, Construction, and Delivery of Space -1 page
- L. Loading Dock Plans

8. The following changes were made in this lease prior to its execution:

Paragraphs 4 and 5 have been deleted in the entirety.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

Lessor: SENTINEL SQUARE I, LLC,  
a Delaware limited liability company

By: TC 90 K Street, LLC,  
a Delaware limited liability company, its manager

By: TC MidAtlantic Development III, Inc.,  
a Delaware corporation, its sole member

By: [REDACTED]  
Name: Thomas E. Finari  
Title: SENIOR VICE PRESIDENT

IN PRESENCE

OF

ADDRESS

1055 Thomas Jefferson St., NW Suite 600  
Washington, D.C. 20007

UNITED STATES OF AMERICA

BY

CONTRACTING OFFICER

Joel T. Berelson